



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

July 16, 2008

Karen Garcia, Treasurer  
Democratic Party of Arkansas  
1300 West Capitol Avenue  
Little Rock, AR 72201

**Response Due Date:**  
**August 15, 2008**

Identification Number: C00024372

Reference: Amended Mid-Year Report (1/1/07-6/30/07), received 5/23/08

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 3 items:

1. Schedule D supporting Line 10 of the Summary Page discloses debts owed to your non-federal account totaling \$77,432.25. 11 CFR §§106.6 and 106.7 requires that all shared expenses be paid from the federal account and allows the non-federal account to transfer-in its share of the expense no more than 10 days before or 60 days after payment by the federal account.

The outstanding debt owed to your non-federal account must be paid immediately, as it represents a subsidization of federal activity by your non-federal account. Such activity is a violation of 11 CFR §102.5.

Although the Commission may take further legal steps concerning this prohibited activity, your prompt payment of the debt will be taken into consideration.

2. The Detailed Summary Page, on Line 18(a) Column A of your Amended 2007 Mid-Year Report (1/1/07-6/30/07), received 5/23/08, discloses \$370,342.81 in transfers from the non-federal account for allocated Administrative and Voter Drive activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$286,981.26 as the non-federal share for allocated Administrative and Voter Drive activity for the reporting period. While the non-federal account is permitted to transfer

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funds to the federal account for allocated activity, transfers for allocated activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.6(e)(2) and 106.7(f)(2) Please clarify the nature of the transfers-in from the non-federal account.


The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

3. Your amended report discloses additional debts totaling \$77,432.25 on Line(s) 10 of the Summary Page that were not disclosed on your original report. Please provide clarifying information as to why this activity was not disclosed on your original report. 11 CFR §104.3

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1135.

Sincerely,



Erinn D. Larkin  
Campaign Finance Analyst  
Reports Analysis Division

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